AUSTRIAN INFORMATION

Published by the Information Department of THE AUSTRIAN CONSULATE GENERAL

509 FIFTH AVENUE · NEW YORK 17, N. Y. · TELEPHONE: MURRAY HILL 7-4766

VOL. II, # 10 June 11, 1949

"PATIENCE OF AUSTRIAN PEOPLE EXHAUSTED", DR. GRUBER DECLARES. On the eve of the discussion on the Austrian State Treaty by the Big Four Foreign Ministers in Paris, Austria's Foreign Minister, Dr. Karl Gruber, in an article published by the "Wiener Zeitung" on June 2nd, again emphatically demanded that the Austrian treaty finally be brought to an early completion. "After the Conference of Foreign Ministers, on three separate occasions, and their Deputies in more than 160 sessions have talked themselves hoarse on the Austrian state treaty and plucked every one of its articles to pieces", so began Dr. Gruber's article, "the patience of the Austrian people has been put to much too hard a test. What Austria wants now is freedom and not conferences and commissions." The article then goes on to discuss at length the points of the treaty which still remain in dispute and declares that an agreement between East and West on the Austrian problem, if objectively approached, is now within the realm of immediate possibility. Dr. Gruber stresses the fact that an alleviation of the present occupation and a mitigation of the so-called "Control Agreement" regulating this occupation could never replace the urgently needed State Treaty. "The present situation in Austria", he writes, "is annoying and insulting to the Austrian people -- irrespective of its material consequences. It inherently carries the germ of a threat to the Austrian philosophy of government. The philosophy of this state is based not on force, but on the spirit of freedom. It is based on the well-balanced and harmonious way of life of the Austrian people, on their cultural tradition, on their century-old historical heritage, on their deep-rooted desire for peace. But the Allied policy toward Austria is apparently designed to prove to her citizens that such a conception is ostensibly based on an illusion. And what is even more serious, it leads the people to follow the events in Germany with greater interest than those in Austria, because the Allies keep pounding into their minds that the events there have a hand in the decision on their own fate. This possibly unintended consequence of Allied policy is diametrically opposed to the original principles of the Moscow Declaration.

"The continued presence of the occupation powers in Austria", Dr. Gruber continues, "can in no way be reconciled with international law. It is true that the Great Powers, at the time of Hitler's act of violence against Austria, took cognizance of his aggression without the least resistance against it. But the Moscow Declaration, which explicitly stated that the annexation was considered null and void, made clear beyond a doubt that Austria was to continue to remain a sovereign nation. The presence of foreign troops on Austrian soil had but one purpose: to eliminate Germany's mastery over Austria and, with it, Nazism itself. With the establishment of a freely-elected Austrian Government and its international recognition, the legal justification for the presence of occupation forces in Austria came to an end. The Great Powers should however not entertain any illusions that, despite the seeming disagreements between the parties during the imminent election campaign, they will not find the Austrian people united in the long run. The statement that the patience of the Austrian people is exhausted is no empty phrase", declared Dr. Gruber.

"Should the 'cold war' in Europe enter into a more critical phase, then the people of Austria, as well as those of all the other European countries will have no other alternative but to clench their teeth and work for their own recovery until a solution is found to this international tension. But if, as every peace-loving man hopes, a 'modus vivendi' is devised for Europe, then Austria must demand that her freedom be made one of the preliminary conditions of such a 'modus vivendi'", the Austrian Foreign Minister concluded.

AUSTRIAN PARLIAMENT PROTESTS ANEW AGAINST ALLIED RADIO CONTROLS. In its session of June 1st, the Austrian Parliament has again protested against the censorship and controls imposed by all the Allies, with the exception of the French, on Austria's radio stations. Deputy

Steinegger (People's Party) declared that the occupation of Austria by the Allies was increasingly assuming the form of a political invasion which extended even to the field of radio broadcasting. Austria is becoming more and more an arena for Allied disagreements which no longer concern Austria; it is becoming a battlefield for foreign interests which are not in keeping with the peace ways of the Austrian people. As a matter of fact, it is no longer possible for the Austrian people to express their views on world events, the deputy stated.

Deputy Brachmann (Socialist Party) told the Parliament that the British were requisitioning the most powerful Austrian transmitter ("Alpenland") daily after 2 p.m. for their propaganda broadcasts to Yugoslavia. It is an unbearable situation, he went on, that Austrian radio transmitters should be used for propaganda broadcasts to foreign countries. Deputy Brachmann further said that Austrians had no influence whatsoever on the programs of the American-operated "Red-White-Red" network. Recently, the Russians also demanded and forced through an extension of their influence on the programs of the "Ravag" station which is in their zone. They have increased their censorship and are now using the transmitter 17 hours a week for Russian propaganda broadcasts.

Chancellor Leopold Figl then assured Parliament in the name of the Federal Government that the Austrian Government would leave no stone unturned to obtain from the Allies the elimination of present controls and the restitution of the country's radio stations.

AUSTRIAN ENVOY HAILS ERP-AID AT DINNER HONORING GEN. MARSHALL. On June 5th, 1949, at the occasion of a Dinner given by the diplomatic Chiefs of Mission of the sixteen Marshall Plan countries in honor of General Georges C. Marshall, the Austrian Minister, Dr. Ludwig Kleinwaechter, delivered the following address:

"Since the liberation of Austria in April 1945 particular efforts have been made by the United States Government to help in overcoming hunger and despair in my country, which suffered so badly in these last ten years. UNRRA, Congressional Aid and the assistance given by the United States Army as well as the contributions and gifts of countless private citizens and voluntary organizations of this country, helped Austria to survive the first years of destitution.

But it was left to General Marshall to conceive the idea of self-help and economic cooperation and to substitute reconstruction for relief. In this second year of the Economic Reconstruction Program, rightly called the Marshall Plan, Austria - I may say with due reservations - is back on the way to recovery. In spite of the fact that we have to carry the burden not only of occupation armies but also of approximately half a million Displaced Persons and refugees from other countries, there is a definite upwards trend in the figures of Austria's production and trade.

Self-confidence and courage are beginning to return to the Austrian people. The thought that the American people are now definitely assuming their position in World affairs, has inspired new hope in the peoples of the old World.

As Austrian Minister I may say that the Austrians are extremely grateful for this program of economic cooperation which sprang from General Marshall's famous Harvard speech, and they hope that a solution of Austria's burning political problems may soon allow them to fully reap the fruits of the Marshall Plan".

ALLIES MAINTAIN RESTRICTIONS ON AUSTRIAN POLITICAL PARTIES. On May 27th, the Allied Council in Vienna decided that, until otherwise instructed, the Austrian Government was still bound by the Allied Council decision of 1945 limiting Austria's political parties to the People's, Socialist and Communist parties. By this decision, the Council overruled the contention of Austria's Minister of the Interior, Oskar Helmer, that the Council decisions taken before the Austrian control agreement of June 28, 1946 were no longer in effect unless restated in that agreement.

THIS YEAR'S AUSTRIAN PARLIAMENTARY ELECTIONS TO BE HELD OCTOBER 16th. October 16th has been temporarily set as the day on which Austrians will go to the polls to elect their representatives to the Austrian Parliament. This date must however still be confirmed by Parliament itself after consultation with the country's political parties. This year's spring session of Parliament will adjourn at the beginning of July. In view of the international situation, however, arrangements

are being made to call the Lower House (Nationalrat) into extraordinary session, should it become necessary to do so, during the summer recess.

FIGL RE-ELECTED CHAIRMAN AT VOLKSPARTEI CONVENTION IN VIENNA. Federal Chancellor Leopold Figl was again elected Chairman of the Austrian People's Party by an overwhelming majority of party officials attending the Volkspartei's national convention in Vienna at the end of May. Federal Minister of Education, Dr. Felix Hurdes, was elected General Secretary of the party and Undersecretary of State Ferdinand Graf, Erwin Altenburger, Dr. Hans Pernter and Dr. Anton Widmann were elected Committee Chairmen. The convention was also attended by Christian-Democratic representatives from France, Italy, Belgium, the Netherlands, England and Bavaria, who came as official delegates from their country's party.

In a series of resolutions the party delegates voiced their approval of the government's policy. After hearing a report from Dr. Karl Gruber the convention demanded that Austria lodge a protest with the United Nations against the continued presence of occupation forces in the country. The People's Party delegates also adopted various other resolutions dealing with domestic policy, education, economic affairs and taxation. At the close of the convention, Undersecretary Graf expressed his conviction that the Austrian Volkspartei would again win the national elections this fall. But to achieve this success at the polls, he concluded, the party would have to conduct its election campaign on a broad, homogeneous basis and not make the mistake of championing too much the individual interests of isolated groups.

AUSTRIA'S PUBLIC SERVICE RATES INCREASED AS WAGES ARE RAISED. Following the announcement of the new wage and price agreement in Vienna in the middle of May, which was reported in issue 9 of the "Austrian Information" bulletin, the prices of several Austrian public services have been increased. The largest price increases went into effect in federal railroad fares, because with the discontinuance of the government's coal subsidies the operating costs of the railroads (as well as the electrical power plants, streetcars, etc.) have augmented considerably. Both passenger and freight fares have therefore been raised. Postal rates for ordinary letters have been raised by 50% (from 40 to 60 groschen), for postcards from 20 to 30 groschen. Telephone and telegram rates have also been increased proportionally. Henceforth, a telephone call in Vienna will cost 40 groschen. The cost of tickets on Vienna's streetcars has been increased from 55 to 80 groschen.

The agreed wage increases for public servants go into effect at the same time. One of the main provisions of the wage hike is the payment of a 13th month salary to all public employees. Another is a raise of 62.50 schillings for all public and private employees as well as an increase of 4-1/2% in their monthly salary. Pensions are increased in the same proportion.

Furthermore, the new "old-age pension" will also come into force, thereby guaranteeing every worker and employee, or his family, a fixed old-age pension. To cover the continuing costs of occupation, taxes on all incomes above 1000 schillings have, on the other hand, been increased by 20%.

OUTCOME OF AUSTRIAN UNIVERSITY ELECTIONS. The elections held at the end of May in Austria's universities and institutes of higher learning resulted in the victory of the Austrian Academic Union ("Union Oesterreichischer Akademiker") which is Christian-Democratic in its political orientation. The Socialists and Communists lost votes in almost all institutions in comparison with last year's election figures. The number of votes cast was relatively small with an average 70% of those entitled to vote going to the polls.

At the University of Vienna, only 6457 of the total number of students (9179) voted, or about 70.3%. The Union won 69.9% of the votes, the Socialists 25.5% and the Communists 4.6%. At the University of Innsbruck, Union candidates received 80% of the total vote, the Socialists 19% and the Communists 0.5%. At the Vienna Institute of Technology, 65% of the votes were cast for the Union, 32% for the Socialists and 2% for the Communists.

The elected candidates will now assume control of the various bodies of student selfadministration. University elections are held in Austria every year.

THE FATE OF THE AUSTRIANS IN SHANGHAI. Most of the Austrians in the Shanghai area were evacuated in time, before the beginning of the fighting for that city, according to a report just received from the Austrian Consulate in Shanghai. Working jointly with the IRO and the Joint Distribution Committee, the Consulate managed to get many Austrians on ships sailing for the United States, England, Brazil and Canada, at the last minute. In February 1946, 4776 Austrians were registered with the "Austrian Residents Association"; in February 1948, the figure was reduced to 3752. A few weeks before the city was drawn into the civil war, only 617 Austrians were still registered with the Association. It can be assumed that within the framework of the so-called "Canada arrangement", an additional number of Austrians could, at the very last moment, still be evacuated by air from Shanghai. According to the consular report, the number of Austrians still left in the city does not exceed 200. The Austrian Consulate stayed in Shanghai and the Austrian Legation has remained in Nanking even after the occupation of the two cities by the Communist armies. The Legation is under the direction of the Austrian Envoy Dr. Stumvoll.

NEW CZECH ENVOY IN VIENNA, AFTER CHARGE D'AFFAIRE FLEES. The Chief of Cabinet of the Czechoslovak Foreign Ministry, Dalibor Krno, has been appointed the new Czechoslovak Envoy to Vienna. The former Czech Chargé d'Affaires had fled with his family to the West during the second half of May, according to Reuter's Vienna correspondent, in order to elude the impending political "housecleaning" of the Legation in Vienna. According to the same report, 11 members of the Czech Legation in Vienna have already been relieved of their positions and forced to return to Czechoslovakia.

EDMUND WEBER, NOTED AUSTRIAN PUBLICIST, DIES IN VIENNA. The well-known Austrian journalist, publicist and political leader, Edmund Weber died in Vienna at the age of 49 on May 25th. Already before the occupation of Austria by the Nazis, Weber had been a leading figure in the newspaper publishing field, and in 1938, he was immediately interned in a concentration camp where he spent several years. After the war, Edmund Weber was appointed head of the People's Party's press and public relations department and had a leading part in the creation of the Austrian news agency APA (Austria Presse Agentur). In the obituary address delivered by Dr. Leopold Figl, the Austrian Chancellor declared that the deceased had not only been a brilliant newspaperman, but that he had been a great Austrian as well, a man who had dedicated his whole life to the people's welfare and to his native land.

TWO NEW BASIC RECOVERY PROJECTS FOR AUSTRIA APPROVED BY ECA. Approval of two basic recovery projects for Austria, one for a continuous billet mill at Donawitz and the other to rehabilitate iron ore mining in the historic Erzberg field, Styria, was announced on May, 30 by the Economic Cooperation Administration in Washington and Vienna.

The new continuous billet mill at Donawitz will handle semi-finished products now rolled on out-dated, inefficient and high cost mills. In conjunction with the use of existing equipment at this site, it will furnish capacity to roll 33,000 tons of semi-finished and finished products per month as against present rated capacity of 25,000 tons per month.

Total cost of the Donawitz project is estimated at the dollar equivalent of $7,23^,000, including $3,451,000 in ECA assistance funds and 37,790,000 schillings ($3,779,000) in local funds.

At Erzberg, 1948 iron ore production was only 980,000 tons compared to average pre-war production of 2,000,000 tons annually. The mining concentration and transport equipment necessary to the rehabilitation project is expected to increase present production by 57 percent while increasing the labor force only 19 percent. The new equipment and increased output are expected to bring about lower costs per ton.

Total cost of the Erzberg project is estimated at the dollar equivalent of $5,200,000, including $2,145,267 in ECA assistance funds and 30,616,000 schillings ($3,060,600) in local funds.

ECA funds in each case will be used to purchase machinery and equipment and parts in the United States and to pay ocean freight charges. The local funds will be spent in Austria for construction costs and materials and parts available locally.

The Donawitz plant is the largest integrated iron and steel plant in Austria. The existing semi-finishing mills date back to 1897, and

are driven by steam power. The output of the new continuous billet mill will be distributed as follows: 60 percent directly to Donawitz's own finishing mills for wire, bars, etc.; about 20 to 25 percent to other plants of the company; and the remainder to other Austrian re-rolling and finishing plants.

Mechanical and electrical equipment and parts for the new continuous billet mill, to be purchased in the United States, will cost an estimated $3,151,000 — $2,751,000 for the mechanical and $400,000 for the electrical, complete with power supply. Ocean freight charges are estimated at $300,000.

In the Erzberg, at Eizenerz, Styria, Austria has one of the principal iron deposits in Europe. Because of the high manganese content, the pig iron provided from this area is of a first-rate steel making grade. As early as the Middle Ages, ore from this area was the essential base for Styrian iron production.

300MILLION SCHILLINGS RELEASED FROM AUSTRIA'S COUNTERPART FUND. The release of 300 million schillings ($30,000,000) from the Austrian counterpart fund for reconstruction and capital investment projects was announced on May 23rd by the Economic Cooperation Administration in Vienna and Washington.

Of this amount, the ECA announced that 179.7 million schillings had been allocated for the following Government projects: federal railways, 144.75 million; postal and telegraph systems, 28.64 million; federal forestry service, 4.28 million; and federal printing plant 2.03 million.

The release of the remaining 120.3 million schillings will cover loans to various Austrian industries for reconstruction and capital investment expenditures. The industries include: electric power, coal mining, iron processing, electrical equipment, chemical production, glass, metal, paper and wool.

The counterpart fund is being built up in Austria through payments of schillings by private citizens who purchase goods under the Marshall Plan. The Austrian Government receives these goods free, collects the price of the goods in local currency and deposits it into a fund which is used for recovery purposes.

RUSSIAN-REQUISITIONED INDUSTRIAL ASSETS VALUED AT OVER 120 MILLION DOLLARS. The serious losses suffered by Austrian industry as a result of bombing during the war were increased considerably by the dismantlings after the war. A special survey of the Austrian Institute of Economic Research presents the first compilation of the machinery, raw materials, finished and semi-finished products, means of transportation and cash which the Soviet Union has requisitioned in Vienna and Lower Austria in 1945.

According to the survey, these requisitioned assets are estimated at 1,208,303,000 schillings (120 million dollars) of which the machinery alone is valued at 648,984,000 schillings. The following is a partial list of requisitioned assets in some of the major industries.

Industry	Requisitions valued at (in millions of schillings)
Metal industry	340
Machine construction	283
Iron and Metal Products	105
Automotive industry	99
Electrical industry	92
Food-processing industry	88
Chemical industry	69
Iron and Steel construction	27
Electric power stations	21
Textile production	18
Mining and foundry works, oil industry	16
Garment industry	11
Breweries	11

RECORD OUTPUT OF COAL AND LIGNITE. Austria's output of coal and lignite reached the record figure of 347,858 tons in March of this year, according to official reports. This figure is more than 25% (70,972 tons) greater than the corresponding figure for March 1937 and represents the highest monthly production rate since the war. This year's March output is 17% (50,890 tons) greater than the output for the same month last year. During the first quarter of this

year, 980,469 tons of coal and lignite were mined as compared to only 856,878 tons for the corresponding period in 1937 and to 877,406 tons during the first quarter of 1948.

AUSTRIAN MINING IN 1948. In 1948 Austrian mines achieved excellent production results with some mines exceeding even pre-war outputs. The difficulties confronting Austrian mines today, especially the coal mines, are caused by the sale's prices which, for many mines, are insufficient to cover the costs of production.

Last year, Austrian coal mines produced three and a half million tons of coal as compared to only 3.17 million in 1947 and 3.47 million in 1937. Last year's yield of iron ore was about 1.2 million tons as compared to 834,936 tons in 1947 and about 1.8 million in 1937.

Carinthia's lead and zinc production last year amounted to some 84,700 tons as compared to 50,697 tons in 1947. 32,300 tons of copper ore were mined in 1948 as compared to 17,084 tons the previous year. At the end of last year, the Tyrol Tessenberg mine which mines iron pyrites, also resumed operation; thus its pyrite output, together with that of the Salzburg mines, almost reached 8,000 tons in 1948 (6,129 tons in 1947). In the closing months of the last year, the Unterlaussa bauxite mine also resumed work. Antimony ore production in the Burgenland reached some 5,200 tons in 1948, an amount more than double that mined the year before.

Austria's talcum industry also did well during the past year, with a yearly output of some 35,000 tons of crude talcum, or almost 11,000 tons more than in 1947 and double as much as before the war.

In 1937, seven mines had produced a total of 18,158 tons of crude graphite; last year only three had a combined output of some 10,500 tons (as compared to 3,845 in 1947). The marketing difficulties for this product have been brought about primarily by the defection of the German market which had previously been Austria's greatest buyer of graphite.

The output of magnesite was also far in excess of pre-war production: in 1948 some 404,000 tons of raw magnesite were mined (as compared to 232,894 tons in 1947). Accordingly, the production of magnesite sinters and bricks as well as caustic material increased. The 1948 output, most of which is exported, totalled some 57,200 tons of sinters (1947: about 33,000 tons), about 81,000 tons of bricks and stones (1947: about 55,000 tons) and approximately 36,000 tons of caustic magnesite (1947: 25,000 tons).

A project of great interest to Austrian economy is the asbestos mine in Rottenmann, Styria, which because of the elevation of its deposits (1800 m) presents a difficult mining problem. The new deposits discovered have been found satisfactory by the Austrian chemical industry. They yield a long-fiber product. Negotiations are now in progress with regard to the financial investments required to operate this mine. These have been estimated at between 3 and 5 million schillings. The competent economic authorities are presently concerning themselves with the expansion of the Mitterberg copper pyrite production facilities. At the present time this mine can produce, at the most, 400 tons of material per month. This output is to be doubled, so as to yield from 2,500 to 2,700 tons of pure copper per year.

BOEHLER STEEL CORPORATION EXPANDS SHEET-ROLLING WORKS. During the last four years, the Boehler Steel Corporation succeeded in putting back into operation their sheet-rolling mill which had been dismantled by the Soviet occupation authorities in 1945. The parts still available from the company's sheet-rolling mill which was shut down prior to 1938 were utilized for the reconstruction of the plant and supplemented by the installation of extensive automatic equipment. It was possible to draw upon the experience gained from the dismantled plant to such an extent that, as a result of the improvements made, the output of the new mill is even greater than that of the one that had been dismantled. Present production of special sheet steel and thin steel plates already amounts to 600 metric tons per month, with orders on hand for a total of 4000 tons. One of the plant's major clients is the knife, fork and spoon industry an important part of whose production is exported abroad. The new sheet-rolling mill also produces special alloy steels in various thicknesses, including sizes up to 5 x 10 feet, for equipment used by the chemical industry, as well as special steels for the saw and tool industries and acid- and corrosion-proof sheets for the paper and textile industries.

AUSTRIAN AUTOMOBILE INDUSTRY'S RECORD PRODUCTION. In March of this year, Austria's automotive industry attained a production level of 147% as compared to its output in 1937, according to an ECA report compiled on the basis of Austrian figures. Leading the list of items during that month were 618 tractors. The most important factors contributing to this increase in production were the ERP deliveries of sheet steel, the purchase of machine parts with Export-Import Bank credits and use of German war booty placed at the industry's disposal. During the current year, additional ERP deliveries of plant installations are expected to increase production still more. Especially noteworthy within the scope of these developments is the agreement between the Steyr and Fiat Works regarding the assembling of Fiat passenger vehicles in Steyr; these will be placed on the market as "Steyr-Fiat" cars. Further developments include the construction of a one-cylinder tractor by the Steyr Corporation to begin in 1950 and the production of "Porsche" cars, the motors and bodies for which will be imported from Germany with the other parts to be produced in Austria. This latter car is intended primarily for export to hard currency countries.

AUSTRIAN AUTOMOBILE PLANT TO ASSEMBLE AND OUTFIT CZECH CARS. The recent agreements concluded between the Steyr and Fiat works for the outfitting of the Fiat 1100 B model at the Steyr plant proved so profitable in the economy of foreign currency effected and in the price reduction of the Fiat car on the Austrian market, that a similar agreement has now been made with Czechoslovakia for the assembling and equipping of the Aero-Minor station wagon. The parts for this car will be delivered by Czechoslovakia and will then be assembled at the Graef & Stift automotive works. This arrangement will provide long-range employment for Austrian workers and, at the same time, will considerably reduce the price of the car. The "Minor" is a small-size car with a 37.5 cubic inch motor (20 HP at 3500 revolutions). The car's load capacity is 880 lbs. and it seats four passengers comfortably with ample luggage space in the rear of the car. The "Minor" gives about 32 miles to the gallon.

The first batch of 250 cars will be ready in June. The price of the Graef & Stift "Minor" will be 19,000 schillings ($1900); until now it has been selling for 23,000 schillings.

AUSTRIA'S HEAVY CHEMICAL INDUSTRY. Austria's leading manufacturer of heavy chemicals is the Donau-Chemie Corporation, some of whose predecessors began their activities as far back as the middle of the past century. The caustic soda output of the Brueckl Works is used primarily in the manufacture of domestic spun rayon and rayon, but its chlorine and liquid sodium hydroxide production has also found an outlet abroad. The largest Austrian plant for the production of hydrochloric acid is likewise located here. These chemical works also make trichloro-ethylene quantities which are not only sufficient to meet all domestic requirements, but which also account for extensive sales abroad. Simultaneous with this increase in quantitative output, it has been possible to considerably increase the quality of the product as well. At the Landeck Works, the installation of a new furnace has led to a 50 percent increase in the production of carbide. The same plant also produces ferrosilicon, but exports of this product are not yet being considered because of the great inland demand. Preparations are in progress for the production of other hydrocarbon chlorides, primarily solvents such as perchloro-ethylene, and extensive research is being carried out in the field of plastics, which, when completed, is expected to open up new lines of production.

AUSTRIAN TIRE PRODUCTION AGAIN INCREASED. Tire production at the Austrian "Semperitwerke" in Wimpassing (Lower Austria) has increased considerably during the past few months. The output of automobile tires jumped from 12,700 tires in January to 16,500 tires in March. Bicycle tire production more than trebled since last year, with an output of 200,000 tires in March of this year as compared to 65,000 tires last March. In addition, the "Semperitwerke" have during the past year developed a new tire, the "Europe Express", which because of its new shape is especially sturdy and intended primarily for use in the Alps. The tire was first exhibited to the public at the Vienna International Automobile Show in May of this year and evoked great interest both from domestic and foreign buyers. It is especially well-suited for rapid buses and long-distance trucks, and important sales negotiations are now being conducted with several European

countries for its purchase.

EXPORT SITUATION OF THE AUSTRIAN PAPER INDUSTRY. The seller's market for paper existing all over the world has enabled Austria's paper industry to get back on its economic feet. Paper mills are now operating at their fullest capacity with current production figures on a par with those of 1937 when the industry had already reached its greatest output capacity. Austrian paper exports today amount to 12,5% of the country's total export trade, thus placing the paper industry second in the export program drawn up to meet this year's balance of payments.

Austria's paper industry is a direct result of the country's extensive forests which supply its basic raw material, primarily spruce wood. It consumes 20 million solid cubic feet of timber annually for full capacity operation and since its present timber supplies cannot be fully met from domestic sources, the industry's greatest concern is the import of timber from abroad. Such imports are essential to keep the industry operating at peak capacity.

But in view of the orders received to date, the position of the industry can be characterized as extremely favorable, even by comparison with the pre-war situation. In the past few months, 65% of the industry's output was exported as compared to 55% before the war. Last year, the industry succeeded in acquiring new markets all over the world and transactions were concluded not only with traditional clients in the British Empire, Italy and elsewhere, but also with overseas and Near Eastern buyers. A short slump in the Italian market, however, was exploited by Italy to compete with the Austrian paper industry in Near Eastern markets, by selling paper originally imported from Austria.

The industry was also able to work out a satisfactory distributionscheme of all types of paper exported: the average proportion of newsprint amounted to 59%, of graphic and wood-free paper to 15% each and of wrapping paper to 10% of the export orders received. The clearing agreement concluded with the Bizone of Germany is intended to enable the industry to purchase urgently-needed new machinery, without which an expansion of its capacity would be inconceivable. There are no allocations for such purchases within the framework of the ERP program. Efforts are also being made to cultivate the German market more intensely in the future, in order to compensate for the post-war loss of the markets in South Eastern Europe.

AUSTRIA AND SPAIN TO EXCHANGE GOODS. Plans are now being considered for the export of Austrian nitrogen, fertilizer, steel, electrical eq uipment, engines and other machinery, Steyr tractors, etc. in exchange for imports from Spain of large quantities of Rif-, Bilbao- and tungsten ores, iron pyrites, scheelite, colophonium, furs, etc. The volume of this exchange of goods will be limited by both parties to about 40 million pesetas (30.8 million schillings).

50th VIENNA INTERNATIONAL FAIR TO OPEN SEPTEMBER 11th. The interest shown by both Austrian and foreign exhibitors in the 50th Vienna International Fair, which will be held between September 11th and the 18th, is already so great that present display facilities in the Fair Palace and at the fair grounds ("Rotundengelaende") in the Prater will be too small to meet the demand. Fair officials are therefore considering plans for using the Vienna Stock Exchange building as additional exhibit space. A number of foreign countries will again set up their own pavilions, and the Prater grounds will be the site of a special agricultural show. The Austrian Federal Railways will grant fair guests a 25% price reduction on all fares. Business firms interested in further information may contact the Austrian Foreign Office at 70 Wall Street, New York 5, N.Y. (Telephone: WH 4-7295).

PROGRESS IN THE VIENNA HOUSING SITUATION. At the end of the second World War no less than 39,000 Vienna apartment houses, comprising a total of 187,305 apartments, had been destroyed or damaged by bombs or ground fire. 36,851 apartments were completely destroyed and 50,024 were severely damaged; in other words, 86,875 apartments were unusable, thereby rendering homeless more than 300,000 people, or a sixth of the city's total population. To this number must be added 100,430 lightly damaged apartments. The total number of apartments thus requiring reconstruction or repairs at the end of the war was 187,305. This serious housing shortage was further aggravated by a

steady influx of refugees and by the requisition of apartments and dwellings by the occupation forces. As late as January 1st of this year, 5144 apartments and lodgings were still under requisition by occupation troops, not to mention 258 villas and 41 hotels, including some of the largest and most modern in the city.

To complicate matters still further, Vienna's underground public utility installations were also damaged by bombing or artillery fire. The destruction inflicted upon the subterranean system of canals, upon the underground cables and upon the water and gas mains had thrown almost all of the capital's facilities out of commission. At the end of the war, Vienna's streets were littered with more than 100 million cubic feet of rubble which made traffic in many parts of the city impossible. The total war damage to buildings, plants and supplies has been estimated at about 6 billion pre-war schillings (some 900 million dollars). The reconstruction or replacement of these destroyed assets will require the staggering sum of 12 billion schillings (1,2 billion dollars) at present price levels.

Immediately after the end of the war, the City of Vienna drew up a reconstruction plan, the realization of which was faced with the greatest difficulties because of the then current shortage of construction materials. Nevertheless, by the end of 1948, no less than 109,444 destroyed and damaged apartments had been rebuilt, repaired and restored to peacetime condition. This achievement was due primarily to the improvement in the supply of construction materials since 1947. This reconstruction work was financed partly by private funds and partly by municipal and federal funds. In addition to the work of reconstruction, large-scale new constructions were also begun. Present plans call for the completion, by 1950, of a total of 8300 new municipally financed apartments. Although no figures are as yet available on the number of privately-financed new housing projects, it is estimated that by next year several thousand apartments will have been completed. All new apartments will have from two to three rooms, in addition to a bathroom and accessory rooms.

Moreover, the City of Vienna plans to replace during the coming years the antiquated, much too small and very unhealthy apartment dwellings in the workers' districts by larger, lighter and healthy construction projects on the model of the Municipal Housing ("Gemeindebauten") erected in Vienna after the first World War and copied throughout the whole world. In the 2nd and 20th municipal districts (Leopoldstadt and Brigettenau) especially, the factories and plants located there now will be moved to new industrial zones in the Danube port area, thereby making room for the contemplated housing projects. The Housing Commissioner of Vienna recently wrote in the "Wiener Zeitung" that the demolition of slum areas and their replacement by healthy, modern and functional living quarters and social facilities was Vienna's major civic mission for the next decades.

AUSTRIA ESTABLISHED THE WORLD'S FIRST REGULARLY-SCHEDULED AIR LINE IN 1918. On March 20, 1918, Austria established the world's first regularly-scheduled air service on the Vienna - Cracow - Lwow - Kiev route, some two months before the inauguration on May 15, 1918 of the first regular air mail service in the United States between New York and Washington. The Austrian Vienna - Kiev service was flown daily by single-engine biplanes, which, with three intermediary stops, required about 10 hours to cover the 750-mile run. These flights were made under the most difficult navigation conditions, without radio communications and, of course, without blind flying instruments, in short without any of the flight safety measures which have come to be accepted as standard today. On the occasion of this first regularly-scheduled air service, also the world's first air mail stamps were printed and used. Today these unique stamps rank high among philatelic rarities. The air line was established by the aviation pioneer, Dr. Raft-Marwill who is today the head of the Austrian Federal Department for Civil Aviation. Dr. Raft-Marwill is actually on a short visiting tour through the United States and Canada.

NEW ANTIRHEUMATIC REMEDY DISCOVERED IN AUSTRIA. After many years of research at the Vienna Serotherapeutic Institute, Professor Neumann, has discovered a new remedy which is of capital importance in the treatment of rheumatic diseases. The new drug, known as "PM-Vaccine", is the final result of intensive and difficult bacteriological research and is obtained from bacteriological micro-organic cultures. A number of patients afflicted with serious cases of rheumatism have

been completely cured by the new drug. The Austrian bacteriologist, Professor Gerlach, who has just been invited to Chile, was able to prove that the presence of the microorganism from which the new remedy is obtained can be ascertained in all human and animal tumorous growths. The establishment of this fact shows a connection between rheumatic and cancer-like diseases. As a result of this new evidence, the international congress of the Austrian Cancer Society, which physicians from all over the world will attend in Innsbruck on June 17th and 18th, will discuss the possibility of treating cancer with the new "PM-Vaccine".

OPENING OF QUAKER HOME IN VIENNA. At the end of May, the new Home of the Vienna Society of Friends (Quakers) was formally opened by Mayor Theodor Koerner. Mrs. Ema Schwarz, the head of the Vienna Friends, stressed that the help the Quakers have extended to needy Austrians during the post-war period has been made possible primarily by the support of Quaker communities in the United States, Great Britain, Sweden, Switzerland, Norway and Denmark.

AUSTRO-LATIN AMERICAN ASSOCIATION FOUNDED. An association was recently founded in Vienna for the promotion of economic and cultural relations between Austria and the countries of Central and South America. The association's honorary presidents are the accredited envoys to Austria of Argentina, Brazil and Chile. The seat of the association is at Nibelungengasse 1, Vienna I.

LEOBEN MINING INSTITUTE CELEBRATES CENTENARY. At the end of May, the Institute of Mining at Leoben, Styria, celebrated the hundredth anniversary of its foundation. The Leoben Institute of Mining has a reputation which transcends by far the borders of Austria and many hundreds of its graduates are today active as leading mining engineers in the United States, Germany, Great Britain and the countries of Eastern Europe. Although it was already founded in 1811, the institute was transferred to its present site at Leoben - the actual center of Austria's mining area - only in 1849. Since the beginning of the century, the institute has been entitled to confer graduate degrees and has therefore ranked as a university. The ceremonies were highlighted by the granting of honorary doctorates to three foreign authorities on mining, Professors C.H. Desch of London, L. Mintrop of Essen and A. Zeerleder of Zurich, and a speech by Dr. Karl Renner, Federal President of Austria.

Whereas after the end of the war, the student body at the Institute was composed almost exclusively of Austrians, now that international travel restrictions have been eased and conditions in Austria have almost returned to normal, the number of foreign students, especially those from Western Europe, has increased considerably.

7100 CLUBS IN VIENNA. Since the end of the war, a total of 7100 clubs, societies and associations have registered in Vienna. Most of these fall into the category of sports associations, savings clubs, cultural (religious) societies, students associations, parents associations, animal-breeding societies and garden clubs. Reports do not say whether the establishment of the "Society of Disillusioned Women" had anything to do with the dissolution of the society "for the Protection of Men's Rights". And of course, like most metropollitan centers, Vienna also has its "Catch a Cold a Day" society whose members believe in bolstering their health by bathing in the Danube's icy waters during the winter.

VIENNA PHILHARMONIC TO GIVE SIX CONCERTS IN LONDON. Early in October of this year, the Vienna Philharmonic will give six concerts under the baton of Bruno Walter and Wilhelm Furtwaengler in London's Albert Hall. The program will include works by Brahms and Schubert as well as Beethoven's Ninth Symphony.

THIRD INTERNATIONAL FESTIVAL OF MODERN MUSIC IN VIENNA. As previously reported in the "Austrian Information" bulletin, the Vienna Concert Hall Society will present once again an international festival of modern music in Vienna from June 15th to the 26th. The program will consist of orchestral concerts, choral concerts, chamber music concerts, solo recitals and three dance recitals. The works to be performed will include Igor Stravinsky's "Psalm Symphony" and "Italian Suite", Paul Hindemith's Violin Concerto and Sonata (first European

performance), and Frank Martin's "Ballad" (with Arturo Benedetti Michelangeli at the piano). In addition, Arthur Honegger will conduct some of his own works, including the first performance of a choral work entitled "The Death Dance".

Austrian composers will be represented by Th. Berger, I.N. David, Ernst Kanitz, Friedrich Wildgans and Karl Schiske, whose Second Symphony will be heard for the first time. The podium will be shared by Karl Boehm, Erich Kleiber, Clemens Krauss, Paul Sacher and others. The Calvet Quartet, the Schneiderhan Quartet and the Association of Wind Instrument Players of the Vienna Philharmonic have also agreed to participate. There will also be many concerts of church music with the performance of standard works from the repertoire of sacred music. The dance recitals will be under the choreographic direction of Rosalie Chladek.

THIS YEAR'S BREGENZ SUMMER MUSIC FESTIVAL. This year's Bregenz Summer Music Festival will include three orchestral concerts, recitals by the Schneiderhan Quartet, as well as performances of the operetta "1001 Night" by Johann Strauss. The orchestral concerts will be given by the Vienna Symphony under the baton of Clemens Krauss and will present Schubert's Symphony No. 7, Beethoven's Symphony No. 1, and Tchaikovsky's Symphony No. 5, in addition to works by Richard Wagner and Richard Strauss. The performance of Johann Strauss' "1001 Night" will be under the musical direction of Anton Paulik (of the Vienna State Opera); the stage sets will be designed by the Swiss stage designer Max Roethlisberger. The Bregenz Music Festival will be inaugurated on July 23d by Dr. Felix Hurdes, the Austrian Minister of Education.

GOETHE EXHIBITION AT THE AUSTRIAN NATIONAL LIBRARY. On May 25th, an imposing Goethe Exhibition commemorating the 200th anniversary of Goethe's birth was opened at the Austrian National Library. The ten sections of the exhibition, with their priceless Goethean documents, pictures, manuscripts, rough drafts, etc., present an exhaustive picture of the great poet's life and works. The objects on display are all on loan from Vienna's public and private collections and include a dress belonging to Goethe's mother, various manuscripts, letters and drawings by Goethe, as well as the only original portrait of Marianne von Willemer, a friend of Goethe. Parts of the Goetheana on display have also been loaned by the Vienna "Goethe Society" which was founded in 1876 and is the oldest Goethe Society in the world.

AMERICAN OF AUSTRIAN ORIGIN DONATES FUNDS FOR "HOFBURG" RECONSTRUCTION. Mr. Bernhard Altmann, a former Austrian industrialist now established in New York, whose textile products are again being exported from Austria to the United States, has donated 70,000 schillings to the President of Austria for the reconstruction of the historic Renaissance "Swiss Gate" of the old Vienna Imperial Palace ("Hofburg") built in 1552.

AUSTRIAN NAMED CHAIRMAN OF EUROPEAN CONFERENCE OF NATIONAL TOURIST AND RAILROAD REPRESENTATIVES IN THE U.S. Rudolf Mattesich, Director of the Austrian State Tourist Department in New York, has been elected chairman of the European Conference of National Tourist and Railroad Representatives. The purpose of the Conference is to offer members the possibility of mutual consultation on all important questions concerning European tourism and of an exchange of views on all matters pertaining to the conduct of European tourist promotion in the United States.

EXTENSION OF THE 3d. RESTITUTION ACT. At the request of the Federal Minister of Property Custody and Economic Planning, the Austrian Council of Ministers on May 17th approved a bill extending the 3d Restitution Act until December 31, 1949.

AUSTRIAN CONSULATE GENERAL
509 FIFTH AVENUE
NEW YORK 17, N. Y.